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deaths to employees or others and damages to the property of others.

8. Fees and expenses of claim investigators.

9. Payment of awards to claimants for court costs and attorneys' services.

10. Medical and hospital service and expenses for employees as the result of occupational injuries or resulting from claims of others.

11. Compensation payments under workmen's compensation laws.

12. Compensation paid while incapacitated as the result of occupational injuries. (See Account 924, Note A.)

13. Cost of safety, accident prevention, and similar educational activities.

Materials and Expenses:

1. Communication service.

2. Printing, postage, and office supplies expenses.

[58 FR 59825, Nov. 10, 1993, as amended at 62 FR 42313, Aug. 6, 1997]

§ 1767.30 Sales expenses.

The sales expense accounts identified in this section shall be used by all RUS borrowers.

SALES EXPENSES

(Operation)

911 Supervision

912 Demonstrating and Selling Expenses

913 Advertising Expenses

916 Miscellaneous Sales Expenses

SALES EXPENSES

(Operation)

911 Supervision

This account shall include the cost of labor, employee pensions and benefits, social security and other payroll taxes, injuries and damages, and expenses incurred in the general direction and supervision of sales activities, except merchandising. Direct supervision of a specific activity, such as demonstrating, selling, or advertising shall be charged to the account wherein the costs of such activity are included. (See §1767.17(a).)

912 Demonstrating and Selling Expenses

This account shall include the cost of labor, employee pensions and benefits, social security and other payroll taxes, injuries and damages, materials used, and expenses incurred in promotional, demonstrating, and selling activities, except by merchandising, the object of which is to promote or retain the use of utility services by present and prospective customers.

Items

Labor:

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1. Demonstrating uses of utility services.

2. Conducting cooking schools, preparing recipes, and related home service activities.

3. Exhibitions, displays, lectures, and other programs designed to promote use of utility services.

4. Experimental and development work in connection with new and improved appliances and equipment, prior to general public acceptance.

5. Solicitation of new customers or of additional business from old customers, including commissions paid employees.

6. Engineering and technical advice to present or prospective customers in connection with promoting or retaining the use of utility services.

7. Special customer canvasses when their primary purpose is the retention of business or the promotion of new business.

Taxes:

1. Federal and state unemployment.

2. F.I.C.A.

Employee Pensions and Benefits: The portion of employee pensions and benefits specifically identifiable with employees' labor costs charged herein or, in the absence of specific employee identification, the portion of employee pensions and benefits, allocated on the more equitable basis of either direct labor dollars or direct labor hours, applicable to the labor items detailed above, including:

1. Accruals for or payments to pension funds or to insurance companies for pension purposes.

2. Group and life insurance premiums (credit dividends received).

3. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.

4. Payments for accident, sickness, hospital, and death benefits or insurance.

5. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed when not the result of occupational injuries or in excess of statutory awards.

6. Expenses in connection with educational and recreational activities for the benefit of employees.

Insurance:

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to Account 228.2, Accumulated Provision for Injuries and Damage, for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.

3. Fees and expenses of claim investigators.

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4. Payment of awards to claimants for court costs and attorneys' services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries or resulting from claims of others.

6. Compensation payments under workmen's compensation laws.

7. Compensation paid while incapacitated as the result of occupational injuries. (See Account 924, Note A.)

8. Cost of safety, accident prevention, and similar educational activities.

Materials and Expenses:

1. Supplies and expenses pertaining to demonstration, experimental, and development activities.

2. Booth and temporary space rental.

3. Loss in value on equipment and appliances used for demonstration purposes.

4. Transportation, meals, and incidental expenses.

913 Advertising Expenses

This account shall include the cost of labor, employee pensions and benefits, social security and other payroll taxes, injuries and damages, materials used, and expenses incurred in advertising designed to promote or retain the use of utility service, except advertising the sale of merchandise by the utility.

Items

Labor:

1. Direct supervision of department.

2. Preparing advertising material for newspapers, periodicals, and billboards, and preparing and conducting motion pictures, radio, and television programs.

3. Preparing booklets and bulletins used in direct mail advertising.

4. Preparing window and other displays.

5. Clerical and stenographic work.

6. Investigating advertising agencies and media and conducting negotiations in connection with the placement and subject matter of sales advertising.

Taxes:

1. Federal and state unemployment.

2. F.I.C.A.

Employee Pensions and Benefits: The portion of employee pensions and benefits specifically identifiable with employees' labor costs charged herein or, in the absence of specific employee identification, the portion of employee pensions and benefits, allocated on the more equitable basis of either direct labor dollars or direct labor hours, applicable to the labor items detailed above, including:

1. Accruals for or payments to pension funds or to insurance companies for pension purposes.

2. Group and life insurance premiums (credit dividends received).

3. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.

4. Payments for accident, sickness, hospital, and death benefits or insurance.

5. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed when not the result of occupational injuries or in excess of statutory awards.

6. Expenses in connection with educational and recreational activities for the benefit of employees.

Insurance:

1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to Account 228.2, Accumulated Provision for Injuries and Damage, for similar protection.

2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.

3. Fees and expenses of claim investigators.

4. Payment of awards to claimants for court costs and attorneys' services.

5. Medical and hospital service and expenses for employees as the result of occupational injuries or resulting from claims of others.

6. Compensation payments under workmen's compensation laws.

7. Compensation paid while incapacitated as the result of occupational injuries. (See Account 924, Note A.)

8. Cost of safety, accident prevention, and similar educational activities.

Materials and Expenses:

1. Advertising in newspapers, periodicals, billboards, and radio for sales promotion purposes, but not including institutional or goodwill advertising includible in Account 930.1, General Advertising Expenses.

2. Materials and services given as prizes or otherwise in connection with civic lighting contests, canning, or cooking contests, and bazaars in order to publicize and promote the use of utility services.

3. Fees and expenses of advertising agencies and commercial artists.

4. Novelties for general distribution.

5. Postage on direct mail advertising.

6. Premiums distributed generally, such as recipe books when not offered as inducement to purchase appliances.

7. Printing booklets, dodgers, and bulletins.

8. Supplies and expenses in preparing advertising material.

9. Office supplies and expenses.

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NOTE A: The cost of advertisements which set forth the value or advantages of utility service without reference to specific appliances, or, if reference is made to appliances, invites the reader to purchase appliances from his dealer or refer to appliances not carried for sale by the utility, shall be considered sales promotion advertising and charged to this account. However, advertisements which are limited to specific makes of appliances sold by the utility and price and terms, thereof, without referring to the value or advantages of utility service, shall be considered as merchandise advertising and the cost shall be charged to Costs and Expenses of Merchandising, Jobbing and Contract Work, Account 416.

NOTE B: Advertisements which substantially mention or refer to the value or advantages of utility service, together with specific reference to makes of appliance sold by the utility and the price, and terms, thereof, and designed for the joint purpose of increasing the use of utility service and the sales of appliances, shall be considered as a combination advertisement and the costs shall be distributed between this account and Account 416 on the basis of space, time, or other proportional factors.

NOTE C: Exclude from this account and charge to Account 930.2, Miscellaneous General Expenses, the cost of publication of stockholder reports, dividend notices, bond redemption notices, financial statements, and other notices of a general corporate character. Also exclude all institutional or goodwill advertising. (See Account 930.1, General Advertising Expenses.)

916 Miscellaneous Sales Expenses

This account shall include the cost of labor, employee pensions and benefits, social security and other payroll taxes, injuries and damages, property insurance, property taxes, materials used, and expenses incurred in connection with sales activities, except merchandising, which are not includible in other sales expense accounts.

Items

Labor:

1. General clerical and stenographic work not assigned to specific functions.
2. Special analysis of customer accounts and other statistical work for sales purposes not a part of the regular customer accounting and billing routine.
3. Miscellaneous labor.

Taxes:

1. Federal and state unemployment.
2. F.I.C.A.
3. Property.

Employee Pensions and Benefits: The portion of employee pensions and benefits specifically identifiable with employees' labor costs charged herein or, in the absence of

specific employee identification, the portion of employee pensions and benefits, allocated on the more equitable basis of either direct labor dollars or direct labor hours, applicable to the labor items detailed above, including:

1. Accruals for or payments to pension funds or to insurance companies for pension purposes.
2. Group and life insurance premiums (credit dividends received).
3. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
4. Payments for accident, sickness, hospital, and death benefits or insurance.
5. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed when not the result of occupational injuries or in excess of statutory awards.
6. Expenses in connection with educational and recreational activities for the benefit of employees.

Insurance:

1. Premiums payable to insurance companies for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.
2. Amounts credited to Account 228.1, Accumulated Provision for Property Insurance, for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.
6. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to Account 228.2, Accumulated Provision for Injuries and Damage, for similar protection.
7. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
8. Fees and expenses of claim investigators.
9. Payment of awards to claimants for court costs and attorneys' services.
10. Medical and hospital service and expenses for employees as the result of occupational injuries or resulting from claims of others.
11. Compensation payments under workmen's compensation laws.
12. Compensation paid while incapacitated as the result of occupational injuries. (See Account 924, Note A.)
13. Cost of safety, accident prevention, and similar educational activities.

Materials and Expenses:

1. Communication service.

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2. Printing, postage, office supplies, and expenses applicable to sales activities, except those chargeable to Account 913, Advertising Expenses.

[58 FR 59825, Nov. 10, 1993, as amended at 62 FR 42315, Aug. 6, 1997]

§ 1767.31 Administrative and general expenses.

The administrative and general expense accounts identified in this section shall be used by all RUS borrowers.

ADMINISTRATIVE AND GENERAL

(Operation)

- 920 Administrative and General Salaries
- 921 Office Supplies and Expenses
- 922 Administrative Expenses Transferred—Credit
- 923 Outside Services Employed
- 924 Property Insurance
- 925 Injuries and Damages
- 926 Employee Pensions and Benefits
- 927 Franchise Requirements
- 928 Regulatory Commission Expenses
- 929 Duplicate Charges—Credit
- 930.1 General Advertising Expenses
- 930.2 Miscellaneous General Expenses
- 931 Rents

(Maintenance)

- 935 Maintenance of General Plant

ADMINISTRATIVE AND GENERAL

(Operation)

- 920 Administrative and General Salaries

A. This account shall include the compensation (salaries, bonuses, employee pensions and benefits, social security and other payroll taxes, injuries and damages, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operating function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

- 921 Office Supplies and Expenses

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general depart-

ments, the salaries and wages of which are includible in Account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any category of operating expenses other than the administrative and general category shall be included in the appropriate account in such category. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function, shall be included in Account 930.2, Miscellaneous General Expenses.

Items

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins, and subscriptions to newspapers, newsletters, and tax services.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in Account 930.2.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing, and stationery.
11. Meals, traveling, and incidental expenses.

- 922 Administrative Expenses Transferred—Credit

This account shall be credited with administrative expenses recorded in Account 920 and Account 921 which are transferred to construction costs or to nonutility accounts. (See § 1767.16 (d).)

- 923 Outside Services Employed

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered as an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.